
HOUSE BILL No. 1570

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Property tax assessments and appeals. Eliminates the county land valuation commission and requires the township assessor to set land values. Amends sales disclosure requirements. Places the property tax levy for the county reassessment fund outside the maximum permissible levy. Requires a taxpayer to file a petition with the county assessor to initiate a property tax appeal. Provides that a member of the county property tax assessment board of appeals is appointed for one year and serves until a successor is appointed. Requires county auditors to transmit to the department of local government finance the results of an analysis of the application of annual adjustments to the assessed value of real property.

Effective: July 1, 2005.

Saunders, Cherry

January 18, 2005, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1570

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-4-13.6 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13.6. (a) The township
3 assessor shall determine the values of all classes of commercial,
4 industrial, and residential land (including farm homesites) in the
5 township using guidelines determined by the department of local
6 government finance. ~~Not later than November 1 of the year preceding~~
7 ~~the year in which a general reassessment becomes effective; the~~
8 ~~assessor determining the values of land shall submit the values to the~~
9 ~~county property tax assessment board of appeals. Not later than~~
10 ~~December 1 of the year preceding the year in which a general~~
11 ~~reassessment becomes effective; the county property tax assessment~~
12 ~~board of appeals shall hold a public hearing in the county concerning~~
13 ~~those values. The property tax assessment board of appeals shall give~~
14 ~~notice of the hearing in accordance with IC 5-3-1 and shall hold the~~
15 ~~hearing after March 31 and before December 1 of the year preceding~~
16 ~~the year in which the general reassessment under IC 6-1.1-4-4 becomes~~
17 ~~effective.~~

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(b) The county property tax assessment board of appeals shall review the values submitted under subsection (a) and may make any modifications it considers necessary to provide uniformity and equality. The county property tax assessment board of appeals shall coordinate the valuation of property adjacent to the boundaries of the county with the county property tax assessment boards of appeals of the adjacent counties using the procedures adopted by rule under IC 4-22-2 by the department of local government finance. If the county assessor or township assessor fails to submit land values under subsection (a) to the county property tax assessment board of appeals before November 1 of the year before the date the general reassessment under IC 6-1.1-4-4 becomes effective, the county property tax assessment board of appeals shall determine the values. If the county property tax assessment board of appeals fails to determine the values before the general reassessment becomes effective, the department of local government finance shall determine the values.

(c) The county assessor shall notify all township assessors in the county of the values as modified by the county property tax assessment board of appeals. Township assessors shall use the values determined under this section.

SECTION 2. IC 6-1.1-4-38 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 38. (a) As used in this section, "qualifying county" means a county in which the department of local government finance, under section 35 of this chapter, conducts the general reassessment scheduled to become effective under section 4(a) of this chapter for property taxes first due and payable in 2003.

(b) As used in this section, "contractor" means a reassessment contractor of the department of local government finance that is conducting a county's general reassessment under section 35 of this chapter.

(c) As used in this section, "qualifying official" refers to any of the following:

- (1) A county assessor of a qualifying county.
- (2) A township assessor of a qualifying county.
- (3) The county auditor of a qualifying county.
- (4) The treasurer of a qualifying county.
- (5) The county surveyor of a qualifying county.
- ~~(6) A member of the land valuation commission in a qualifying county.~~
- ~~(7)~~ (6) Any other township or county official in a qualifying county who has possession or control of information necessary or useful for a general reassessment, general reassessment review,

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or special reassessment of property to which section 35 of this chapter applies, including information in the possession or control of an employee or a contractor of the official.

~~(8)~~ (7) Any county official in a qualifying county who has control, review, or other responsibilities related to paying claims of a contractor submitted for payment under section 35 of this chapter.

(d) Upon petition from the department of local government finance or a contractor, the tax court may order a qualifying official to produce information requested in writing from the qualifying official by the department of local government finance or a contractor.

(e) If the tax court orders a qualifying official to provide requested information as described in subsection (d), the tax court shall order production of the information not later than fourteen (14) days after the date of the tax court's order.

(f) The tax court may find that any willful violation of this section by a qualifying official constitutes a direct contempt of the tax court.

(g) This section expires January 1, 2007.

SECTION 3. IC 6-1.1-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) For purposes of this section, "party" includes:

(1) a seller of property that is exempt under the seller's ownership; or

(2) a purchaser of property that is exempt under the purchaser's ownership;

from property taxes under IC 6-1.1-10.

~~(a)~~ (b) Before filing a party to a conveyance may file a conveyance document for the conveyance with the county auditor under IC 6-1.1-5-4:

(1) subject to subsection (c), all the parties to the conveyance must complete and sign a sales disclosure form as prescribed by the department of local government finance under section 5 of this chapter; and

(2) each sales disclosure form completed with respect to the conveyance must be:

(A) presented to; and

(B) stamped by;

the county assessor under subsection (d).

(c) All the parties to a conveyance may sign one (1) sales disclosure form, or if all the parties do not agree on the information to be included on the completed form, each party may sign and file a separate form.

(d) The county assessor shall with respect to a sales disclosure

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form presented to the county assessor under subsection (b)(2):

(1) determine:

(A) whether information is entered on the form in each part of the form that requires the entry of information; and

(B) to the extent possible, whether information entered on the form is erroneous;

(2) give the person presenting the form the opportunity to:

(A) correct a deficiency identified under subdivision (1); and

(B) present the fully completed or corrected form for review by the county assessor under subdivision (1) on:

(i) the date the form is initially presented under this subsection; or

(ii) a later date;

(3) stamp each form that is not deficient as identified under subdivision (1) to signify that the form is acceptable; and

(4) return the form to the person that presented the form to the county assessor.

~~(b)~~ (e) Except as provided in subsection ~~(c)~~, (f), the auditor shall forward each sales disclosure form to the county assessor. The county assessor shall retain the forms for five (5) years. The county assessor shall forward the sales disclosure form data to the department of local government finance and the legislative services agency ~~(1) before January 1, 2005, in an electronic format if possible; and (2) after December 31, 2004, in an electronic format specified jointly by the department of local government finance and the legislative services agency under IC 5-14-6.~~ The county assessor shall forward a copy of the sales disclosure forms to the township assessors in the county. The forms may be used by the county assessing officials, the department of local government finance, and the legislative services agency for:

(1) the purposes established in IC 6-1.1-4-13.6;

(2) sales ratio studies;

(3) equalization;

(4) adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6; and

(5) any other authorized purpose.

~~(c)~~ (f) In a county containing a consolidated city, the auditor shall forward the sales disclosure form to the appropriate township assessor. The township assessor shall forward the sales disclosure form to the department of local government finance and the legislative services agency ~~(1) before January 1, 2005, in an electronic format if possible; and (2) after December 31, 2004, in an electronic format specified~~

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jointly by the department of local government finance and the legislative services agency: **under IC 5-14-6.** The forms may be used by the county assessing officials, the department of local government finance, and the legislative services agency for the purposes established in IC 6-1.1-4-13-6, sales ratio studies, equalization, adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6; and any other authorized purpose: **as described in subsection (e).**

~~(d)~~ **(g)** If a sales disclosure form includes the telephone number or Social Security number of a party, the telephone number or Social Security number is confidential.

SECTION 4. IC 6-1.1-5.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. The department of local government finance shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the department of local government finance must include at least the following information:

- (1) The key number of the parcel (as defined in IC 6-1.1-1-8.5).
- (2) Whether the entire parcel is being conveyed.
- (3) The address of the property.
- (4) The date of the execution of the form.
- (5) The date the property was transferred.
- (6) Whether the transfer includes an interest in land or improvements, or both.
- (7) Whether the transfer includes personal property.
- (8) An estimate of any personal property included in the transfer.
- (9) The name, ~~and~~ address, **and telephone number** of:
 - (A) each transferor and transferee; and**
 - (B) the person that prepared the form.**
- (10) The mailing address to which the property tax bills or other official correspondence should be sent.
- (11) The ownership interest transferred.
- (12) The classification of the property (as residential, commercial, industrial, agricultural, vacant land, or other).
- (13) The total price actually paid or required to be paid in exchange for the conveyance, whether in terms of money, property, a service, an agreement, or other consideration, but excluding tax payments and payments for legal and other services that are incidental to the conveyance.
- (14) The terms of seller provided financing, such as interest rate, points, type of loan, amount of loan, and amortization period, and whether the borrower is personally liable for repayment of the loan.
- (15) Any family or business relationship existing between the

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transferor and the transferee.

(16) Other information as required by the department of local government finance to carry out this chapter.

If a form under this section includes the telephone number or the Social Security number of a party, the telephone number or the Social Security number is confidential.

SECTION 5. IC 6-1.1-5.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The county auditor may not accept:

(1) a sales disclosure form presented with a conveyance document if the information described in section 5 of this chapter in the sales disclosure form is incomplete; or

(2) a conveyance document if:

(+) (A) the sales disclosure form signed by all the parties and attested as required under section 9 of this chapter is not included with the document; or

(2) (B) the sales disclosure form ~~does not contain the information described in~~ is not stamped by the county assessor or township assessor under section 5 3 of this chapter.

(b) The county recorder shall not record a conveyance document without evidence that the parties have filed a completed sales disclosure form with the county auditor.

SECTION 6. IC 6-1.1-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

(1) the opportunity for review under this section, including an informal preliminary conference with the county or township official referred to in this subsection; and

(2) the procedures the taxpayer must follow in order to obtain review under this section.

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must ~~request in writing a preliminary conference~~ file a petition for review with the appropriate county or township official referred to in subsection (a) ~~assessor~~:

(1) ~~within not later than~~ forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or

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(2) **on or before** May 10 of that year;
 whichever is later. The county ~~or township official referred to in~~
~~subsection (a)~~ **assessor** shall notify the county auditor **and the**
appropriate assessing official referred to in subsection (a) that the
 assessment is under appeal. **After filing the petition for review under**
this subsection, the taxpayer must request in writing a preliminary
conference with the county or township official referred to in
subsection (a). The preliminary conference required under this
 subsection is a prerequisite to a review by the county property tax
 assessment board of appeals under subsection (i).

(c) A change in an assessment made as a result of an appeal filed:

(1) in the same year that notice of a change in the assessment is
 given to the taxpayer; and

(2) after the time prescribed in subsection (b);
 becomes effective for the next assessment date.

(d) A taxpayer may appeal a current real property assessment in a
 year even if the taxpayer has not received a notice of assessment in the
 year. If an appeal is filed on or before May 10 of a year in which the
 taxpayer has not received notice of assessment, a change in the
 assessment resulting from the appeal is effective for the most recent
 assessment date. If the appeal is filed after May 10, the change
 becomes effective for the next assessment date.

(e) The written request for a preliminary conference that is required
 under subsection (b) must include the following information:

(1) The name of the taxpayer.

(2) The address and parcel or key number of the property.

(3) The address and telephone number of the taxpayer.

(f) The county or township official referred to in subsection (a)
 shall, **within not later than** thirty (30) days after the receipt of a
 written request for a preliminary conference, attempt to hold a
 preliminary conference with the taxpayer to resolve as many issues as
 possible by:

(1) discussing the specifics of the taxpayer's reassessment;

(2) reviewing the taxpayer's property record card;

(3) explaining to the taxpayer how the reassessment was
 determined;

(4) providing to the taxpayer information about the statutes, rules,
 and guidelines that govern the determination of the reassessment;

(5) noting and considering objections of the taxpayer;

(6) considering all errors alleged by the taxpayer; and

(7) otherwise educating the taxpayer about:

(A) the taxpayer's reassessment;

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(B) the reassessment process; and

(C) the reassessment appeal process.

~~Within~~ **Not later than** ten (10) days after the conference, the county or township official referred to in subsection (a) shall forward to the county auditor and the county property tax assessment board of appeals the results of the conference on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The official and the taxpayer shall each retain a copy of the form for their records.

(g) The form submitted to the county property tax assessment board of appeals under subsection (f) must specify the following:

(1) The physical characteristics of the property in issue that bear on the assessment determination.

(2) All other facts relevant to the assessment determination.

(3) A list of the reasons the taxpayer believes that the assessment determination by the county or township official referred to in subsection (a) is incorrect.

(4) An indication of the agreement or disagreement by the official with each item listed under subdivision (3).

(5) The reasons the official believes that the assessment determination is correct.

(h) If after the conference there are no items listed on the form submitted to the county property tax assessment board of appeals under subsection (f) on which there is disagreement:

(1) the county or township official referred to in subsection (a) shall give notice to the taxpayer, the county property tax assessment board of appeals, and the county assessor of the assessment in the amount agreed to by the taxpayer and the official; and

(2) the county property tax assessment board of appeals may reserve the right to change the assessment under IC 6-1.1-13.

(i) If after the conference there are items listed in the form submitted under subsection (f) on which there is disagreement, the county property tax assessment board of appeals shall hold a hearing. The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the board of appeals. Except as provided in subsections (k) and (l), the hearing must be held ~~within~~ **not later than** ninety (90) days ~~of~~ **after** the official's receipt of the taxpayer's written request for a preliminary conference under subsection (b). The taxpayer may present the taxpayer's reasons for disagreement with the assessment. The county or township official referred to in subsection (a) must present the basis for

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the assessment decision on these items to the board of appeals at the hearing and the reasons the taxpayer's appeal should be denied on those items. The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item ~~within not later than~~ sixty (60) days ~~of~~ **after** the hearing, except as provided in subsections (k) and (l).

(j) If the ~~township assessor~~ **appropriate assessing official referred to in subsection (a)** does not attempt to hold a preliminary conference, the taxpayer may file a request in writing with the county assessor for a hearing before the property tax assessment board of appeals. If the board determines that the county or township official referred to in subsection (a) did not attempt to hold a preliminary conference, the board shall hold a hearing. The taxpayer and the county or township official whose original determination is under review are parties to the proceeding before the board of appeals. The hearing must be held ~~within not later than~~ ninety (90) days ~~of~~ **after** the receipt by the board of appeals of the taxpayer's hearing request under this subsection. The requirements of subsection (i) with respect to:

(1) participation in the hearing by the taxpayer and the ~~township assessor or county assessor~~ **appropriate assessing official referred to in subsection (a)**; and

(2) the procedures to be followed by the county board; apply to a hearing held under this subsection.

(k) This subsection applies to a county having a population of more than three hundred thousand (300,000). In the case of a petition filed after December 31, 2000, the county property tax assessment board of appeals shall:

(1) hold its hearing ~~within not later than~~ one hundred eighty (180) days instead of ninety (90) days **after the filing of the petition**; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item ~~within not later than~~ one hundred twenty (120) days after the hearing.

(l) This subsection applies to a county having a population of three hundred thousand (300,000) or less. With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the county property tax assessment board of appeals shall:

(1) hold its hearing ~~within not later than~~ one hundred eighty (180) days instead of ninety (90) days **after the filing of the petition**; and

(2) have a written record of the hearing and prepare a written

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statement of findings and a decision on each item ~~within~~ **not later than** one hundred twenty (120) days after the hearing.

(m) The county property tax assessment board of appeals:

(1) may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (i) or (j); and

(2) may amend the form submitted under subsection (f) if the board determines that the amendment is warranted.

SECTION 7. IC 6-1.1-18.5-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 21. The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a county under IC 6-1.1-4-27.5. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under IC 6-1.1-4-27.5.**

SECTION 8. IC 6-1.1-28-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Each county shall have a county property tax assessment board of appeals composed of individuals who are at least eighteen (18) years of age and knowledgeable in the valuation of property. In addition to the county assessor, only one (1) other individual who is an officer or employee of a county or township may serve on the board of appeals in the county in which the individual is an officer or employee. **Subject to subsections (d) and (e),** the fiscal body of the county shall appoint two (2) individuals to the board. At least one (1) of the members appointed by the county fiscal body must be a certified level two assessor-appraiser. **Subject to subsections (d) and (e),** the board of commissioners of the county shall appoint two (2) freehold members so that not more than three (3) of the five (5) members may be of the same political party and so that at least three (3) of the five (5) members are residents of the county. At least one (1) of the members appointed by the board of county commissioners must be a certified level two assessor-appraiser. ~~However,~~ If the county assessor is a certified level two assessor-appraiser, the board of county commissioners may waive the requirement in this subsection that one (1) of the freehold members appointed by the board of county commissioners must be a certified level two assessor-appraiser. A person appointed to a property tax assessment board of appeals may serve on the property tax assessment board of appeals of another

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1 county at the same time. The members of the board shall elect a
 2 president. The employees of the county assessor shall provide
 3 administrative support to the property tax assessment board of appeals.
 4 The county assessor is a voting member of the property tax assessment
 5 board of appeals. The county assessor shall serve as secretary of the
 6 board. The secretary shall keep full and accurate minutes of the
 7 proceedings of the board. A majority of the board that includes at least
 8 one (1) certified level two assessor-appraiser constitutes a quorum for
 9 the transaction of business. Any question properly before the board
 10 may be decided by the agreement of a majority of the whole board.

11 (b) The county assessor, county fiscal body, and board of county
 12 commissioners may agree to waive the requirement in subsection (a)
 13 that not more than three (3) of the five (5) members of the county
 14 property tax assessment board of appeals may be of the same political
 15 party if it is necessary to waive the requirement due to the absence of
 16 certified level two Indiana assessor-appraisers:

- 17 (1) who are willing to serve on the board; and
- 18 (2) whose political party membership status would satisfy the
 19 requirement in subsection (c)(1).

20 (c) If the board of county commissioners is not able to identify at
 21 least two (2) prospective freehold members of the county property tax
 22 assessment board of appeals who are:

- 23 (1) residents of the county;
- 24 (2) certified level two Indiana assessor-appraisers; and
- 25 (3) willing to serve on the county property tax assessment board
 26 of appeals;

27 it is not necessary that at least three (3) of the five (5) members of the
 28 county property tax assessment board of appeals be residents of the
 29 county.

30 **(d) Except as provided in subsection (e), the term of a member**
 31 **of the county property tax assessment board of appeals appointed**
 32 **under subsection (a):**

- 33 **(1) is one (1) year; and**
- 34 **(2) begins January 1.**

35 **(e) If:**

- 36 **(1) the term of a member of the county property tax**
 37 **assessment board of appeals appointed under subsection (a)**
 38 **expires;**
- 39 **(2) the member is not reappointed; and**
- 40 **(3) a successor is not appointed;**

41 **the term of the member continues until a successor is appointed.**

42 SECTION 9. IC 6-1.1-4-13.8 IS REPEALED [EFFECTIVE JULY

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1, 2005].

SECTION 10. [EFFECTIVE JULY 1, 2005] (a) For purposes of computing a county's ad valorem property tax levy for taxes first due and payable in 2006, the county's maximum permissible ad valorem property tax levy for property taxes first due and payable in 2005 under STEP ONE of IC 6-1.1-18.5-3(a) or STEP ONE of IC 6-1.1-18.5-3(b) is reduced by the amount of ad valorem property taxes imposed by the county in 2005 under IC 6-1.1-4-27.5.

(b) This SECTION expires January 1, 2007.

SECTION 11. [EFFECTIVE JULY 1, 2005] (a) Before July 1, 2006, each county assessor shall transmit to the department of local government finance the results of the mandatory analysis in the county under 50 IAC 21-8-1.

(b) This SECTION expires July 1, 2006.

SECTION 12. [EFFECTIVE JULY 1, 2005] (a) The term of a member of the county property tax assessment board of appeals as of the effective date of this act expires on December 31, 2005.

(b) This SECTION expires January 1, 2006.

SECTION 13. [EFFECTIVE JULY 1, 2005] IC 6-1.1-5.5-3, IC 6-1.1-5.5-5, and IC 6-1.1-5.5-6, all as amended by this act, apply only to sales disclosure forms for conveyances after June 30, 2005.

SECTION 14. [EFFECTIVE JULY 1, 2005] IC 6-1.1-15-1, as amended by this act, applies only to reviews initiated under that section after June 30, 2005.

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